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STRENGTHENING OUR NATIONAL SECURITY

Mr. THOMAS. Mr. President, I am waiting for one of our associates to come. In the meantime, I want to begin some conversation and discussion about the topic of the week, which the President has been working on certainly, and that is strengthening our national security.

I suspect most people would agree that the responsibility for defense is perhaps the No. 1 responsibility of the Federal Government. It is the activity that no other government at any other level can handle. It is the thing that, of course, all of us are very aware of. We are constantly grateful for the kinds of things that have been done to preserve our freedom by the military over the years. For more than 200 years, the military has been that arm of Government that has preserved our freedom. Many people have sacrificed, including the soldiers, sailors, and the marines, over the years.

So as we face the question of defense and the military, that is one of the things with which we are obviously most concerned. The President has put this as one of his high priorities, and I think properly so. Clearly, over the last 8 years, specifically, the military has not been supported to meet the kinds of needs they have had.

I think it is very clear that there are at least two kinds of questions to be answered as we go about funding the military. One has to do with improving the quality of life for military personnel. The other, then, has to do with the idea of examining the structure, examining where we are in terms of the military and how it meets today's needs and the changing needs that obviously have happened around us.

I think the President has been very wise to commit himself to some payments soon to help with the quality of life for the military. I think equally as important has been his request for some studies, bottom-up analyses, of the military prior to making any substantial changes in the way the military is structured, the kinds of weapons that are necessary and those things that will deal with that aspect of it.

With regard to quality of life, certainly one of the things that is important, obviously, is that the military is built around personnel, around the idea that you have men and women willing to serve. We now have a voluntary military, of course, so that it has to be made somewhat attractive for people to be interested in joining the military, so that recruitment can be kept up. Equally as important, of course, is after the training that takes place in the military, it is necessary to have the kind of arrangement where people can stay there once trained, whether it be airplane mechanics, or pilots, or whatever, to leave the training and their training goes unused.

So the President has, I believe yesterday, gone down to Georgia and committed himself to some things to improve the lives of our troops—to raise military pay, renovate substandard housing, to improve military training, and take a look at health care, as well as some deployments in which we have been involved.

The President will announce, as I understand it, about a $5.76 billion increase, which will include $1.5 billion for military pay, which is in the process and should be in the process of causing these folks to be able to come a little closer to competition with the private sector; about $400 million for improving military housing; and almost $4 billion to improve health care for the military.

I believe these things are very necessary and should happen as quickly as possible. I have had the occasion and honor over the last month or so to visit a couple military bases, Warren Air Force Base in my home State, a missile base in Cheyenne, WY, and Quantico, VA, the Marine Corps base close to D.C., here, where I went through training for the Marine Corps many years ago. It is an interesting place. In both instances, the first priority on these bases was housing, places for enlisted NCOs, officers, to live on base.

As to the housing in both instances, it is interesting. As different as these two bases were, and as far as they were apart, the problems in housing were very similar. Housing that had been built back in the thirties was still being used. It really had gone to the extent that rather than being renovated or repaired, it wasn't worth that; it had to be destroyed and replaced. Some, of course, could be fixed up. It is very difficult, particularly for enlisted with families, No. 1, find a place to live, particularly at a place such as Quantico, but more importantly to have it economically reasonably attractive for these folks. As we move toward this, I hope the President will maintain—and I want to comment on this later—his commitment to doing something immediately for the personnel, and then to go through this study. I think there is a great deal that needs to be done in terms of how the military is structured. It is quite different now.

Obviously, our big problem now is terrorism. There are problems around the world in smaller units. We are not talking about ships full of divisions of troops with tanks landing somewhere. We are talking about something that can move quickly and is available to move and sustain itself without logistical support for some time. These are things that I think are very important.

I intend to come back later this morning and talk more about this. In the meantime, I yield to the Senator from Arizona.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. KYL. I thank the Chair.

Mr. President, I thank the Senator from Wyoming for his interest in the subject of national defense. As he noted, this is a week in which the President is announcing several initiatives in that regard. One of his primary objectives, he said, is to strengthen the military so we can meet the challenges of this new century.

He is beginning, naturally, with the support for the troops, which is the right place to begin, but he has also noted there are a lot of other challenges. We in the Congress who have been working with this over the years appreciate the warnings of the Joint Chiefs of Staff and the immediate past Secretary of Defense who have noted we are going to have to spend a lot more on defense in order to bring our defense capabilities up to the level where they need to be to deter threats around the world.

One of the threats that has received a lot of attention in recent weeks on which I want to focus today is the threat of an attack by an adversary delivering a weapon of mass destruction via missile. Of course, there are other ways of creating problems for the United States. We try to deal with each of these different threats.

As chairman of the Subcommittee on Terrorism of the Judiciary Committee, for example, I have worked hard to ensure we can both detect and deter terrorism, whether in the form of delivery of a weapon in a suitcase that people like to talk about or in the case of an attack directly against an installation or U.S. assets, such as the attack on the U.S.S. *Cole*. In all of those situations, we have plans and we have made some progress in meeting that threat of terrorism.

Where we have been lacking is in a commitment to deal with the other equally ominous threat of weapons of mass destruction delivery, and that is via the intercontinental ballistic missile or a medium-range missile. Why would countries all over the globe that mean us no good be spending so much money on the development of their missile capability and weapons of mass destruction warheads that could be delivered by the missiles? And by that, the WMD—the weapons of mass destruction—we are speaking of would be biological warheads, chemical warheads, or nuclear warheads. Why would they be spending so much money if they did not intend to either use those missiles against us or threaten to use them?

Why do we focus on threats?

As Secretary Rumsfeld has pointed out several times recently, one of the

advantages of a missile over some other kinds of terrorist acts is that they can threaten other countries, for example, to stay out of their way as they take aggression against another country, threatening that if they bother them, if they try to intercede in what they are trying to do, they will launch a missile against them.

An example is the Saddam Hussein situation in which he goes into Kuwait. Had he had missiles with longer range capability and warheads that could have delivered weapons of mass destruction, he could have easily threatened cities in Europe and made it much more difficult for the United States to have put together the coalition that we eventually put together to stop him from further aggression and eventually repel him from Kuwait.

It is the threat of the use of these weapons, as much as the weapons themselves, that is an instrument of policy.

Another case that nobody likes to talk about because we do not consider China as an enemy of the United States—and it is not—is the situation in which, however, China would potentially, with leaders who decide they have to take aggressive action against Taiwan, begin initiating some form of military threat or action against that island and force the United States to choose whether or not to defend Taiwan.

One of the elements of whether we might do so is whether we would be subject to attack by the Chinese if we sought to inhibit their aggressive intentions. At least some in the military in China have already made it perfectly plain that they have missiles that can reach the United States and perhaps we would want to think twice before coming to the aid of Taiwan.

Again, this is not something I project or suspect is going to happen anytime soon, but the fact is intercontinental or medium-range missiles that can deliver weapons of mass destruction can be used to stop countries such as the United States from interfering in hostile actions. That is one of the reasons we have to be concerned.

The other reason, of course, is these weapons can actually be used. It is not just the threat of use but the actual use. We know from past experience that countries that see no hope in their situation flail out, launching these kinds of missiles against their enemies in a last desperate attempt to at least prove their point, if not to win the war. We know there are some who have indicated they might do this again in the future.

For example, a defeated Nazi Germany fired over 2,400 V–1 and 500 V–2 rockets at London, causing over 67,000 casualties, including 7,600 deaths.

During the Yom Kippur war, Egypt launched Scud missiles at Israel.

The so-called ''War of the Cities'' during the 8-year Iran-Iraq war saw almost 300 Scud missiles exchanged between combatants, with little or no anticipation that such actions would facilitate victory.

In 1986, Libya, in response to U.S. air strikes that were in themselves a response to Libyan-sponsored terrorist acts, launched two Scud missiles at a U.S. facility in Italy. That they landed harmlessly in the Mediterranean Sea does not diminish the significance of the event in the context of the use of hostile regimes.

While we try to deter countries from launching these kinds of missiles, we know that sometimes deterrence fails and these missiles will be launched. In that case, there is only one thing that is sensible, which is to try to have some kind of defense in place to protect our citizens or our troops deployed abroad or our allies.

The sad truth is, unfortunately, the United States today cannot defend itself from a hostile missile attack. In fact, we have a very hard time defending against even the kinds of missiles launched a decade ago in the Persian Gulf war. Remember the single largest number of casualties in that war: 28 American soldiers died because of a Scud missile attack at our base in Saudi Arabia that we could not stop. Yet in the interim, between that event and today, we have made precious little progress in fielding a system which can defend against that kind of threat.

I just returned from a trip the weekend before last to Munich, Germany, the so-called Veracunda, a conference of primarily NATO defense ministers, the Secretary General of NATO, as well as representatives of the U.S. Senate and other parliamentarians—primarily of the NATO countries—to talk about the future of NATO and the United States-allies cooperation, among other things, in the development of ballistic missile defenses. The U.S. delegation was led by my colleagues John MCCAIN and Joseph LIEBERMAN. All of us, including Secretary Rumsfeld who was in attendance, made the point to our allies that the United States had no option but to move forward with missile defense, that our interests were threatened around the world, and that we would have to move forward, but that we wanted to consult with our allies so, first of all, they would understand what we are doing, why we are doing it, and perhaps they would have some participation in how it would evolve, at least as to how it impacts them.

We wanted to make what we did applicable to them as well, to provide protection to them if they wanted it. From a previous position of some hostility to the idea, because of their concerns about what Russia and China might do, I believe our allies are moving more to an acceptance of the fact that we are going to proceed and a willingness to confer with us on how that system evolves, even in some cases to talk to us about how we might integrate it with their own defense to provide protection to them as well.

I believe that momentum, in other words, for acceptance of our missile defense system from our allies has definitely picked up. It is important that the Senate and House support the President in his determination to move forward with our missile defense. In this regard, it will be very important for the administration to move very quickly to make it clear that the momentum has not slowed, that we do intend to move forward, and we are not going to let another season go by without beginning the deployment of assets that we can deploy.

There are very promising technologies. I will be taking the floor at later times to talk about how these might evolve. I start with the sea-based systems. It was clear that the Clinton administration wanted to have only one system. That system, built in Alaska, would have been very vulnerable. The radar that would have been constructed at Chiniak Island could be useful to us with respect to future systems that we deploy.

I think it would be a mistake to assume that is the be all and end all of our national missile defense system. Much more productive would be the use of existing assets, the standard missiles we have aboard Aegis cruisers and use the radars we would have constructed at Chiniak Island and the onboard radars, to take literally anywhere in the world to provide defense in theater, both against threats that are medium-range threats today and in the not-too-distant future, to be able to actually provide some strategic defense to protect the United States, or most of it.

As I say, this technology is probably the most advanced but it will be up to the Congress to add money to the defense budget and up to the administration to do the planning to integrate that funding into the testing program, the development program, and the fairly early deployment of that limited kind of missile defense program.

At the same time, we should be pursuing the existing plans with respect to land-based systems because I suspect that at the end of the day we are going to want to have layered systems where we have sea-based components and land-based components and the radars that facilitate the effectiveness of each. These will be details of plans emerging through the administration review, recommendations of the Department of Defense, and the funding that will be required to come from the Congress. Again, I will get into more detail on that later.

The point I make this morning is we are beginning the conversations with our allies that should have taken place

years ago. This administration is committed to that. I am convinced, because of the fine statement that Secretary Rumsfeld made at the Munich conference, that our allies are now going to be willing to work with us and will be supportive of us at the end of the day. It will be up to us to follow through with the support that only the Congress can provide.

Let me conclude by going back to the point with which I started. There are basically two reasons to have defense. The first is to deter action by would-be aggressors, and you deter not only the use of missiles but also the threat of their use, because the threat of their use is frequently the foreign policy tool of these rogue nations, to keep you out of their way while they engage in their nefarious activities. So you deter the threat and you also deter the actual use.

But the second reason is in the event deterrence fails to actually defend yourself—in some cases we know that, especially with regard to these rogue nations which can have very irrational leaders, deterrence does not work—and the missiles do get launched. If you don't have a way of defending yourself, you will suffer extraordinarily large casualties.

It would be immoral for leaders of the United States today—and this is a point Secretary Rumsfeld made over and over—it would be immoral for the President, for the Secretary of Defense, and those in the Congress not to do everything we can to facilitate the deployment of these defenses on our watch.

If American citizens are killed because we failed in that duty, we have no one to blame but ourselves because the technology is at hand, we have the financial capability of doing it, there is no longer any question about the threat, and we can work with our allies. All that is left is the will to move forward to do this.

The final point I wish to make is this: There are those who say we already have a deterrence; it is our nuclear deterrence; and no one would dare mess with the United States because of that.

There are two problems with that. The first is that we need an option to annihilating millions of people on the globe. If our only reaction to an attack against us is to respond in kind—in fact, more than in kind—and annihilate, incinerate, literally, millions of people, most of whom are totally innocent and are simply in a country led by some kind of irrational rogue dictator—if that is our only response, it is an immoral response when we have an alternative, and that is a defense that can protect the United States and deter that aggression in the first place.

Secondly, it is much more effective to have this additional response, because at the end of the day there gets to be a point where people wonder whether that nuclear deterrent is even credible. It is certainly credible against a massive nuclear attack against the United States, but is it credible against a limited attack by some irrational dictator, against the United States or our allies, that we would, then, in turn, annihilate all of the citizens of his country? That is something we have never been able to answer and we don't want to answer because we want to leave out there the notion that we might respond with that kind of nuclear deterrent, but it becomes less and less likely as time goes on.

That is why we need this alternative—another option, a moral option, the option of defense—not just the option of massive nuclear retaliation.

Mr. President, I appreciate this opportunity to address the Senate today on the threat to the United States from the proliferation of ballistic missile technology and the debate on deployment of a national missile defense system.

I recently had the pleasure, Mr. President, of attending the annual Conference on Security Policy in Munich, Germany. This conference, for those unfamiliar with it, is a gathering of U.S., European and Asian foreign and defense ministers, miscellaneous civilian defense experts, and prominent members of the media. Senators MCCAIN and LIEBERMAN led the U.S. delegation. Of particular note, Defense Secretary Rumsfeld utilized the conference to make his first major address in his capacity as head of the nation's military establishment. The main topic of Secretary Rumsfeld's address, not surprisingly, was the Bush Administration's intention to proceed with deployment of a National Missile Defense system, in consultation with our NATO allies.

The Munich Conference, as has been evident in the plethora of news stories that have appeared since, illustrated the scale of opposition among our allies as well as among countries like Russia and China. Fears of precipitating an arms race with Russia and China while driving an irreparable wedge between the United States and Europe were palpable. They were, however, equally misplaced.

Few issues within the realm of national security affairs have been as divisive and prone to alarmist hyperbole than the development of ballistic missile defenses. It really is, in a sense, almost surrealistic to contemplate a country that will spend hundreds of billions of dollars per year on national defense while conceding to its adversaries the freedom to destroy our cities if only they develop long-range ballistic missiles. And in anticipating the usual rejoinder that our military superiority will surely deter such adversaries from launching nuclear-armed missiles in our direction, let us focus a minute to two on the history of warfare in the missile age. It really is quite illuminating.

Deterrence, Mr. President, is a concept. An adversary or potential adversary will refrain from taking an action or actions detrimental to our national interest if it fears a debilitating retaliatory attack. The history of man, however, is the history of war, and the history of war is the history of deterrence—and diplomacy—failing. A nation at war will rarely refrain from employing those means at its disposal, especially when regime survival is at stake. Moreover, and of particular relevance to discussions of missile defenses, is the tendency of defeated regimes to strike out irrationally. A defeated Nazi German fired over 2,400 V–1 and 500 V–2 rockets at London, causing over 67,000 casualties, including 7,600 deaths. During the 1973 Yom Kippur War, Egypt launched Scud missiles at Israel. The so-called ''War of the Cities'' during the eight-year Iran-Iraq War saw almost 300 Scud missiles exchanged between combatants with little or no anticipation that such actions would facilitate victory. In April 1986, Libya, in response to U.S. air strikes that were in themselves a response to Libyan-sponsored terrorist acts, launched two Scud missiles at a U.S. facility in Italy. That they landed harmlessly in the Mediterranean does not diminish the significance of the event in the context of the use of missiles by hostile regimes.

While deterrence should remain a fundamental tenet of our national security strategy, it is not enough. Clearly, we cannot assume, nor base the security of our population, on our own estimations of the calculations occurring in the minds of hostile dictators, especially during periods of heightened tensions. The historical record should be sufficient to convince all of us that missile proliferation is a serious problem—certainly, on that, we all agree—and that those missiles can and may be used, either in the throes of defeat or as the result of a failed attempt to deter the United States from acting in defense of our vital national interests in regions like the Middle and Far East. The recent publication of the book ''Saddam's Bombmaker,'' written by the former chief engineer of Iraq's nuclear weapons program, includes a passage suggesting, based upon the author's personal observations of Saddam Hussein, that the Iraqi dictator fully intends to launch nuclear-armed missiles against Israel in the event he becomes convinced that his personal demise is inevitable. Should he attain the capability to launch an intercontinental ballistic missile, I think it is no stretch of the imagination to add the United States to that list.

The case of Iran is equally worrisome. Last Fall, we undertook a rather

impromptu debate on the nature of Russian-Iranian relations when the New York Times ran a series of articles detailing possible violations of the Iran-Iraq Nonproliferation Act and the subsequent 1996 amendment to the Foreign Assistance Act, which sought clearly to sanction foreign entities determined to be transferring destabilizing military equipment and technology to Iran and Iraq. The debate that emerged focused, of course, given the text of the law, on conventional arms transfers from Russia to Iran. Something of a given, as far as the Clinton administration's posture was concerned, with that the Russian-Iranian military relationship had been largely contained courtesy of the former vice president's diplomatic skills.

Putting aside the subsequent abrogation of the secret Gore-Chernomyrdin Pact and the emergence of a more open and vibrant conventional arms trade between Russia and Iran, the issue of missile and nuclear-technology transfers was clearly presumed to be under control. But all available information points to the contrary. More disturbing, the relationship is unquestionably at the government-to-government level. The Clinton administration's arguments that individual Russian entities were circumventing good-faith Russian efforts at stemming the flow of nuclear and missile technology to Iran, the basis of its veto of the Iran Nonproliferation Act, were wholly without merit. In defense of this relationship, Russia's most prominent defense analyst, Pavel Felgenhauer, was recently quoted as stating, ''We are brothers-in-arms, and have long-term interests together.'' And Defense Minister Sergeyev's December 2000 visit to Iran to conclude the new arms agreement was trumpeted by Sergeyev as ushering in a ''new phase of military and technical cooperation.''

A recent CIA report act on foreign assistance to Iran's weapons of mass destruction, missile and advanced conventional weapons programs, submitted pursuant to the requirements of the fiscal year 2001 intelligence authorization act, includes the following:

> Cooperation between Iran's ballistic missile program and Russian aerospace entities has been a matter of increasing proliferation concern through the second half of the 1900s. Iran continues to acquire Russian technology which could significantly accelerate the pace of Iran's ballistic missile development program. Assistance by Russian entities has helped Iran save years in its development of the Shahab-3, a 1,300-kilometer-range MRBM * * * Russian assistance is playing a crucial role in Iran's ability to develop more sophisticated and longer-range missiles. Russian entities have helped the Iranian missile effort in areas ranging from training, to testing, to components. Similarly, Iran's missile program has acquired a broad range of assistance from an array of Russian entities of many sizes and many areas of specialization.

Similarly, the Department of Defense's January 2001 report, Proliferation: Threat and Response, states with respect to Russian-Iran nuclear cooperation, that

> Although [the Iranian nuclear complex] Bushehr [which is receiving substantial Russian assistance] will fall under IAEA safeguards, Iran is using this project to seek access to more sensitive nuclear technologies from Russia and to develop expertise in related nuclear technologies. Any such projects will help Iran augment its nuclear technology infrastructure, which in turn would be useful in supporting nuclear weapons research and development.

Finally, and not to belabor the point, the Director of Central Intelligence George Tenet recently testified before the Intelligence Committee that Russian entities ''last year continued to supply a variety of ballistic missile-related goods and technical know-how to countries such as Iran, India, China, and Libya.'' Indeed, Director Tenet emphasized this point several times in his testimony, stating, ''the transfer of ballistic missile technology from Russia to Iran was substantial last year, and in our judgment will continue to accelerate Iranian efforts to develop new missiles and to become self-sufficient in production.''

The significance of this relationship is considerable. Opponents of missile defenses have argued both during and after the cold war that the dynamics of warning and response have changed; that we will have sufficient strategic warning of serious threats to our national security to take the necessary measures in response. The entire basis of the Rumsfeld Commission report, and of much of DCI Tenet's testimony, on the threat from foreign missile programs, however, is that strategic—and, indeed, tactical—warning can be severely diminished in the event suspect countries succeed in attaining large-scale technical assistance or complete ballistic missiles, which Saudi Arabia accomplished by its purchase of Chinese CSS–2 medium-range ballistic missiles and Pakistan did in the case of the Chinese M–11 missile transfer. That is clearly the case with Iran.

The impact on U.S. national security policy of the proliferation of ballistic and cruise missile technology, as well as of so-called weapons of mass destruction, should not be underestimated. Presidents of either party and their military commanders will undergo a fundamental transformation in their approach to foreign policy commitments and the requirement to project military power in defense of our allies and vital interests if they possess the knowledge that American forces and cities are vulnerable to missile strikes. We have pondered the scenario wherein our response to an invasion of Kuwait by a nuclear-armed Iraq would have been met with the response the 1990 invasion precipitated. Similarly, the oft-cited threat against the United States by Chinese officials in the event we come to the defense of Taiwan should be cause for sober reflection—although the commitment to Taiwan's security should be equally absolute. The point, Mr. President, is that the development or acquisition by rogue regimes of long-range ballistic missiles will alter our response to crises in an adverse manner. Secretary Rumsfeld summed up the situation well in his speech in Munich when he stated, ''Terror weapons don't need to be fired. They just need to be in the hands of people who would threaten their use.''

The need for continued development and deployment of systems to defend against ballistic missile attack is real. We lost eight precious years during which the previous administration stood steadfast in opposition to its most fundamental requirement to provide for the common defense. No where in the Constitution is there a qualification from that responsibility for certain types of threats to the American population, and I doubt one would have been contemplated. The Founding Fathers were unlikely, I believe, to have supported a policy wherein the United States would defend itself against most threats, but deliberately leave itself vulnerable to the most dangerous.

We can research missile defenses in perpetuity and not attain the level of perfection some demand. We can, however, deploy viable systems to the field intent on improving them over time as new technologies are developed. We do it with ships, tanks, and fighter aircraft. The value of having fielded systems both as testbeds and for that measure of protection they will provide, while incorporating improvements as they emerge, is the only path available to us if we are serious about defending our cities against ballistic missile attack.

Yes, I know that a multibillion dollar missile defense system will not protect against the suitcase bomb smuggled in via cargo ship. But let us not pretend that we are not talking actions to defend against that contingency as well. Arguments that posit one threat against another in that manner are entirely specious. As I've noted, the history of the missile age is not of static displays developed at great expense for the purpose of idol worship. It is of weaponry intended to deter other countries from acting, and to be used when militarily necessary or psychologically expedient. We can't wish them away, and the fact of proliferation is indisputable. The deployment of a National Missile Defense system is the most important step we can take to protect the people we are here to represent. They expect nothing less.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

DEFENSE

Mr. GRASSLEY. Mr. President, I was hoping Thursday afternoon to be on the floor with Senator BYRD as he spoke about some issues dealing with the Defense Department. I ask my fellow Senators and staff of the Senators who are interested in defense matters to read Senator BYRD's speech on page 1236 of the CONGRESSIONAL RECORD of February 8. I will comment, not as comprehensively as he did, about some of the problems at the Department of Defense. I will read one paragraph from his speech. It is related to a lot of work that I have been doing in the Senate for quite a few years on the lack of accountability in cost management and inventory management and just generally the condition of the books in the Defense Department, which is also the basis for my remarks today.

I quote from Senator BYRD's speech: So here's the question I have. If the Department of Defense does not know what it has in terms of assets and liabilities, how on Earth can it know what it needs?

We are in the position where the new President of the United States is making a judgment of how much money he should suggest over the next few years to increase defense expenditures.

The President this week is highlighting that. I think the President needs to be complimented. He has put off for a while until the new Secretary of Defense can do a study of Defense Department needs and missions before making the specific judgment of how much money should be spent.

This is somewhat different than what President Reagan did in 1981 when the judgment was that just spending more money on defense automatically brings you more and a better defense. Obviously, at that time more money needed to be spent, but exactly how much needed to be spent was not so clear. A lot more money was appropriated, creating a situation where an Assistant Secretary of Defense at that particular time said there was so much money allocated that we piled the moneybags on the steps of the Pentagon and said to them: Defense contractors, come and get it.

I think we look back and know some of that money probably was not wisely spent, although we do give credit to President Reagan for spending more, and in a sense challenging the Soviets in a way so they had to call a halt to the cold war. That saved the taxpayers a lot of money in the long term. Now we have a President who has time to think about what should be done and is giving it the proper consideration.

So I want to start out by complimenting President Bush for his approach to ramping up defense expenditures at a time in our history when there is a general consensus among both political parties that more ought to be spent. Since we are going to spend more, it ought to be spent very wisely. President Bush deserves the thanks of the American taxpayers for being very careful.

He has stated there is a need for an immediate increase in pay and housing for military people to enhance their morale and keep dedicated people who are already trained, give them a financial incentive for staying in instead of getting out and going into the private sector—he is moving ahead on those few things. But on the larger question of increasing expenditures, particularly for enhanced weaponry and new weapons, he is waiting until there is a study completed. I thank him for doing that.

Regardless, as Senator BYRD said, we ought to have a set of books, an accounting system, at the Defense Department that is not only such that we know what the situation is, how much we have in inventory, how much is actually being paid for a weapons system, but when we have a bill to pay, we ought to know what we got for that bill. What goods and services were received? The point is, we do not now have that information. That was the point of Senator BYRD's question. It is the point of my question today. But my questioning is on ongoing points I have been raising with the Defense Department now for a period of probably 4 or 5 years or longer.

I am truly honored to have an opportunity to speak on the very same subject that Senator BYRD spoke on last Thursday. I am hoping the Senator from West Virginia and this Senator from Iowa can team up this year in a search for a solution. As many of my colleagues know, I have been wrestling with this problem for a number of years, and, candidly, without a whole lot of success in getting the Defense Department to change their bad accounting, and not having a basis, then, on which to ask for further increases into the future. I have come here to the floor of the Senate and spoken about this many times. I have raised these same concerns during hearings before the Budget Committee.

As chairman of the Senate Judiciary Subcommittee on Administrative Oversight, I have investigated this problem and held hearings on it. I have offered legislation on it and some of that legislation has been incorporated, thanks to Senator BYRD and Senator STEVENS, the ranking people on the Appropriations Committee, in various Department of Defense appropriations bills.

The General Accounting Office and the Pentagon's inspector general have issued report after report after report exposing these same problems. In fact, their investigative work has been the basis for some of my remarks in the past.

So here we have, again, last week, this issue being raised by the Senator from West Virginia. I am glad to have somebody of Senator BYRD's stature asking pertinent questions because then people pay attention. People listen up. That also applies to my listening and reading what the Senator from West Virginia had to say last week.

Senator BYRD started his inquiry maybe months and years ago, for all I know, but it came to my attention when he was participating in a hearing before the Senate Armed Services Committee on January 11, the hearing on the nomination of Mr. Rumsfeld for Secretary of Defense. My gut sense tells me Senator BYRD's question sent shock waves through the Pentagon. When I read about it in the newspaper the next day, I asked my staff to get the transcript and fax it to me because I was home in my State of Iowa. I studied the exchange between Senator BYRD and Secretary designate Rumsfeld very carefully. What I heard was music to my ears.

In a nutshell, Senator BYRD was talking about the Pentagon's continuing inability to earn a clean opinion under the Chief Financial Officer's Act audit. That act was passed in 1990. So we have been down this road, now, for 10 years. I hope in most departments of Government we have accomplished something. It does not seem as if we have in the case of the Pentagon.

Under the Chief Financial Officer's Act, the Pentagon must prepare financial statements each year. Those are then subjected to an independent audit by the General Accounting Office and the Inspector General. Senator BYRD, on January 11, questioned Mr. Rumsfeld about the results of the latest Chief Financial Officer's audit by the inspector general. Senator BYRD stated at that time, and I quote from the transcripts:

DOD has yet to receive a clean audit opinion in its financial statements.

Senator BYRD went on to quote from a recent article in the Los Angeles Times about the Pentagon accounting mess. Again, I quote from the transcript of a statement of Senator BYRD:

The Pentagon's books are in such utter disarray that no one knows what America's military actually owns or spends.

As Senator BYRD knows, this quote contains a very powerful message. This is the message that I glean from that quote: The Pentagon does not know how much it spends. It does not know if it gets what it orders in goods and services. And the Pentagon, additionally, does not have a handle on its inventory. If the Pentagon does not know what it owns and spends, then how does the Pentagon know if it needs more money? We, as Senators, presume already that the Pentagon needs more money—because there is kind of a bipartisan agreement to that, and President Bush won an election with that as one of his key points. We need to know more, and a sound accounting system is the basis for that judgment.